



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Three Texas Tax Return Preparers Convicted of Filing False Tax Returns for Clients**

Three El Paso, Texas, tax return preparers were convicted by a jury yesterday in the U.S. District Court for the Western District of Texas (El Paso Division) of conspiracy to defraud the United States for their involvement in a fraudulent tax return preparation scheme and numerous counts of aiding and assisting in the preparation and filing of materially false federal income tax returns, Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division and U. S. Attorney Richard L. Durbin Jr. for the Western District of Texas announced.

According to evidence and witness testimony introduced at the trial, Belia Mendoza, 60, was the owner of Mendez Tax Services (MTS), a tax preparation business she operated out of her home in El Paso. Margarita Hernandez, 36, and Denise Duchene, 46, relatives of Mendoza's, were employees of MTS hired and trained by Mendoza to prepare tax returns for clients for tax years 2008, 2009 and 2010. From February 2009 until June 2011, Mendoza, Hernandez and Duchene conspired to prepare and submit to the Internal Revenue Service (IRS) numerous false Forms 1040 (U.S. Individual Income Tax Returns).

To maximize their clients' income tax refunds, Mendoza, Hernandez and Duchene placed materially false items on the clients' tax returns, at times without the knowledge or consent of the clients, including false or inflated figures for unreimbursed employee business expenses, child and dependent care expenses and education credits. Income tax returns prepared by the defendants also included false filing statuses and improperly claimed Earned Income Tax Credits.

"These verdicts represent our continued commitment to identifying and prosecuting those individuals who willfully prepare and file false and fraudulent tax returns," said Acting Assistant Attorney General Ciralo. "The millions of U.S. taxpayers who will file returns during the 2016 filing season are entitled to the assistance of honest and competent professionals, and the Tax Division will hold those preparers who in engage in criminal conduct accountable."

“It’s tax season and the guilty verdicts for Belia Mendoza and her relatives, Margarita Hernandez and Denise Duchene, are proof that taxpayers are fed up with tax fraud and abuse,” said Special Agent in Charge William Cotter of IRS-Criminal Investigation, San Antonio. “Dishonest return preparers use a variety of methods to cheat the government. Remember, it is your responsibility to know what is on your income tax return. You are ultimately responsible for what gets filed with the IRS. Taxpayers are encouraged to visit the IRS.gov website for tips on looking for a reputable return preparer.”

Mendoza, Hernandez and Duchene each face up to five years in federal prison on the conspiracy charge and up to three years in federal prison for each false tax return preparation charge.

Acting Assistant Attorney General Ciruolo and U.S. Attorney Durbin commended special agents of IRS-Criminal Investigation, who investigated the case and Trial Attorney Joseph M. Giannullo of the Tax Division and Assistant U.S. Attorneys Adrian Gallegos and Rifian Newaz, who prosecuted the case.

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